

Amy L. Alvarez
District Manager
Federal Government Affairs

Suite 1000 1120 20th Street, NW Washington DC 20036 202-457-2315 FAX 202-263-2601 email: alalyarez@att.com

July 1, 2002

Ms. Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, SW, Room TWB-204 Washington, DC 20554

Re:

Application by Owest Communications International, Inc. for Authorization to Provide In-Region InterLATA Services in the States of Colorado, Idaho, Iowa, Nebraska and North Dakota, Docket No. 02-148

Dear Ms. Dortch:

On Friday, June 28, 2002, Richard Rocchini, Natalie Baker, Michael Lieberman, Dean Fassett, Richard Chandler, Tom Weiss, Mark Schneider and the undersigned, all representing AT&T, met with Rich Lerner, Michael Carowitz and Elizabeth Yockus of the Wireline Competition Bureau's Competitive Policy Division, Deena Shetler, Steve Morris, Aaron Goldschmidt, Douglas Galbi and Jennifer McKee of the Bureau's Pricing Policy Division, and Harry Wingo of the Office of the General Counsel. The purpose of this meeting was to discuss the pricing issues AT&T will raise in comments to be filed in the above-referenced proceeding. In summary, AT&T demonstrated that Colorado is not an appropriate benchmark state because Qwest's Colorado UNE rates are substantially inflated by clear TELRIC errors and, despite the arbitrary rate reductions made by Qwest in the remaining states, the UNE rates in those states do not satisfy the Commission's benchmarking analysis and cannot be found TELRIC-compliant on their own merits. In addition, AT&T also provided an overview of the margin analyses it has conducted in connection with this proceeding.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely, anyfalvarez

cc: Michael Carowitz

Elizabeth Yockus Gary Remondino

Yaron Dori